

AMENDED IN SENATE AUGUST 22, 2006

AMENDED IN SENATE AUGUST 7, 2006

AMENDED IN SENATE JUNE 22, 2006

AMENDED IN ASSEMBLY APRIL 17, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2670

Introduced by Assembly Member Aghazarian
(Principal coauthor: Senator Runner)

February 24, 2006

An act to amend Sections 100, 755, and 756 of, to amend and repeal Section 100.1 of, and to add Section 100.11 to, the Revenue and Taxation Code, relating to property taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2670, as amended, Aghazarian. Property taxation: regulated railway companies.

The

(1) *The* California Constitution requires the State Board of Equalization to assess the property, other than franchises, of a regulated railway company. Existing property tax law provides for the allocation of the assessed value of the unitary property of a regulated railway company that is assessed by the State Board of Equalization among the several tax rate areas within a county where the property is located. Existing property tax law also provides for an annual adjustment of the allocation of this assessed value among tax rate areas for changes in track mileage, and defines track mileage as the

number of miles of track, adjusted to reflect the relative importance of mainline, branch, and other track.

This bill would, for the 2007–08 fiscal year and for each fiscal year thereafter, establish a single countywide tax rate area within each county to which the assessed value of specified unitary property of a regulated railway company would be allocated. This bill would require that the revenues derived from the tax on this value be allocated among local entities in the county pursuant to a specified formula. This bill would also require, with respect to a qualified facility, as defined, that 80% of the value of the facility and the revenues derived from taxing this value be allocated in the manner previously described, and would require that the remaining 20% of this value and resulting revenues be allocated exclusively to the local tax rate areas in the county in which the property is located. This bill also would change the definition of track mileage for purposes of these provisions to instead mean the total miles of track in each county without regard to the relative importance of the track mileage. This bill also would make technical and conforming changes to related provisions.

By

(2) *By imposing new property tax allocation duties upon local officials, this bill would impose a state-mandated local program.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This

(3) *This bill would change the pro rata shares in which ad valorem property tax revenues are allocated among local agencies in a county, within the meaning of paragraph (3) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution, and thus would require for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.*

(4) *This bill would incorporate additional changes to Section 100 of the Revenue and Taxation Code, proposed by SB 1317, to be*

operative only if SB 1317 and this bill are both enacted, both bills amend the respective section, and this bill is enacted after SB 1317.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 100 of the Revenue and Taxation Code
2 is amended to read:
3 100. Notwithstanding any other provision of law,
4 commencing with the 1988–89 fiscal year, property tax assessed
5 value attributable to unitary and operating nonunitary property,
6 as defined in Sections 723 and 723.1, that is assessed by the State
7 Board of Equalization shall be allocated by county as provided in
8 Section 756, and the assessed value and revenues attributable to
9 that allocation shall be allocated within each county as follows:
10 (a) Each county shall establish one countywide tax rate area.
11 The assessed value of all unitary and operating nonunitary
12 property shall be assigned to this tax rate area. No other property
13 shall be assigned to this tax rate area.
14 (b) Property assigned to the tax rate area created by
15 subdivision (a) shall be taxed at a rate equal to the sum of the
16 following two rates:
17 (1) A rate determined by dividing the county's total ad
18 valorem tax levies for the secured roll, including levies made
19 pursuant to Section 96.8, for the prior year, exclusive of levies
20 for debt service, by the county's total ad valorem secured roll
21 assessed value for the prior year.
22 (2) A rate determined as follows:
23 (A) By dividing the county's total ad valorem tax levies for
24 unitary and operating nonunitary property for the prior year debt
25 service only by the county's total unitary and operating
26 nonunitary assessed value for the prior year.
27 (B) Beginning with the 1989–90 fiscal year, adjusting the rate
28 determined pursuant to subparagraph (A) by the percentage
29 change between the two preceding fiscal years in the county's ad
30 valorem debt service levy for the secured roll, not including
31 unitary and operating nonunitary debt service.
32 (c) The property tax revenue derived from the assessed value
33 assigned to the countywide tax rate area pursuant to subdivision

(a) and pursuant to paragraph (2) of subdivision (a) of Section 100.1 by the use of the tax rate determined in paragraph (1) of subdivision (b) shall be allocated as follows:

(1) For the 1988–89 fiscal year and each fiscal year thereafter, each taxing jurisdiction shall be allocated an amount of property tax revenue equal to 102 percent of the amount of the aggregate property tax revenue it received from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service.

(2) If the amount of property tax revenue available for allocation in the current fiscal year is insufficient to make the allocations required by paragraph (1), the amount of revenue to be allocated to each taxing jurisdiction shall be prorated based on a factor determined by dividing the total amount of property tax revenue available to all taxing jurisdictions from unitary and operating nonunitary property in the current year, exclusive of revenue attributable to levies for debt service, by the total amount of property tax revenue received by all taxing jurisdictions from unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service.

(3) If the amount of property tax revenue available for allocation to all taxing jurisdictions in the current fiscal year from unitary and operating nonunitary property, exclusive of revenue attributable to levies for debt service, exceeds 102 percent of the property tax revenue received by all taxing jurisdictions from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service, the amount of revenue in excess of 102 percent shall be allocated to all taxing jurisdictions in the county by a ratio determined by dividing each taxing jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for debt service, by the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for debt service.

(d) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) and pursuant to paragraph (2) of subdivision (a) of Section 100.1 by the use of the tax rate determined in paragraph (2) of subdivision (b) shall be allocated as follows:

1 (1) An amount shall be computed for each taxing jurisdiction
2 and shall be determined by multiplying the amounts required in
3 the current year pursuant to subdivisions (a) and (c) of Section 93
4 by that percentage that shall be determined by dividing the
5 amount of property tax revenue the jurisdiction received in the
6 prior year from unitary property and operating nonunitary
7 property by the total amount of property tax revenue the
8 jurisdiction received in the prior year from all property.

9 (2) The amount of property tax revenue available for
10 allocation pursuant to this subdivision shall be allocated among
11 taxing jurisdictions in the proportion that the amount computed
12 for each taxing jurisdiction pursuant to paragraph (1) bears to the
13 total amount computed pursuant to paragraph (1) for all taxing
14 jurisdictions.

15 (3) If a taxing jurisdiction is levying a tax rate for debt service
16 for the first time in the current fiscal year, for purposes of
17 determining the percentage specified in paragraph (1), that
18 percentage shall be the percentage determined by dividing the
19 amount of property tax revenue received by that taxing
20 jurisdiction in the prior year pursuant to subdivision (c) from
21 unitary and operating nonunitary property by the total amount of
22 property tax revenue received by that taxing jurisdiction in the
23 prior year from all property within the taxing jurisdiction.

24 (e) For purposes of this section:

25 (1) "The county's total ad valorem tax levies for the secured
26 roll" means all ad valorem tax levies for the county's secured
27 roll, including the general tax levy, levies for debt service
28 (including land only and land and improvement rates), and levies
29 for redevelopment agencies.

30 (2) "The county's total ad valorem secured roll" means the
31 county's local roll, after all exemptions except the homeowner's
32 exemption, and the county's utility roll.

33 (3) "Taxing jurisdiction" includes a redevelopment agency.

34 (4) In a county of the second class, for the 1992-93 fiscal year
35 and each fiscal year thereafter, "taxing jurisdiction" includes that
36 fund that has been designated by the auditor as the "Unallocated
37 Residual Public Utility Tax Fund." All revenues allocated to that
38 fund pursuant to this section shall be deposited in that fund and
39 shall be distributed as follows:

1 (A) For the 1992–93 fiscal year to the 1996–97 fiscal year,
2 inclusive, at the discretion of the county board of supervisors.

3 (B) For the 1997–98 fiscal year, 100 percent to the Orange
4 County Fire Authority.

5 (C) For the 1998–99 fiscal year and each fiscal year thereafter,
6 in accordance with the following schedule:

7 (i) Fifty-seven and forty-seven hundredths percent to the
8 Orange County Fire Authority.

9 (ii) Forty-one and forty-seven hundredths percent to the
10 Orange County Library District.

11 (iii) Forty-eight hundredths percent to the Buena Park Library
12 District.

13 (iv) Fifty-eight hundredths percent to the Placentia Library
14 District.

15 (f) The assessed value of the unitary and operating nonunitary
16 property shall be kept separate for each state assessee throughout
17 the allocation process.

18 (g) Each state assessee shall be issued only one tax bill for all
19 unitary and operating nonunitary property within the county.

20 (h) This section applies to the unitary property of regulated
21 railway companies only to the extent described in Section 100.1.

22 (i) This section does not apply to property that on July 1, 1987,
23 was undeveloped and owned by a utility and located within a
24 city, county, or city and county that adopts a resolution stating
25 that the property is subject to a development plan or agreement
26 and that this section shall not apply to that property, and the city,
27 county, or city and county transmits a copy of that resolution,
28 including a legal description of the property, to the State Board
29 of Equalization and the county's auditor-controller prior to
30 January 1, 1988.

31 (j) (1) For property that on July 1, 1990, was undeveloped and
32 owned by a utility and that is located within a city, county, or city
33 and county that adopts a resolution stating that the property is
34 subject to a development plan or agreement and that this
35 subdivision applies to that property, and the city, county, or city
36 and county transmits a copy of that resolution, including a legal
37 description of the property, to the county auditor prior to August
38 1, 1991, the allocation of property tax revenues derived with
39 respect to that property pursuant to Sections 96.1, 96.2, 97.31,

1 98, 98.01, and 98.04, shall be subject to the allocation required
2 by paragraph (2).

3 (2) The county auditor shall annually allocate to a city, county,
4 or city and county, that has adopted and transmitted a resolution
5 pursuant to paragraph (1), the amount of property tax revenues
6 derived with respect to the property described in paragraph (1)
7 that would be allocated to that city, county, or city and county if
8 that property were subject to assessment by the county assessor.
9 In order to provide the allocations required by this paragraph, the
10 county auditor shall make any necessary pro rata reductions in
11 allocations to local agencies other than that city, county, or city
12 and county adopting and transmitting a resolution pursuant to
13 paragraph (1), of property tax revenues derived with respect to
14 the property described in paragraph (1).

15 (k) (1) For property subject to this section that is owned by a
16 utility that serves no more than two counties and is located within
17 a city, county, or city and county that adopts a resolution stating
18 that the property is subject to a development plan or agreement
19 for new construction and the city, county, or city and county
20 transmits a copy of that resolution, including a legal description
21 of the property, to the State Board of Equalization and the county
22 auditor prior to January 1, 2006, the allocation of property tax
23 revenues derived with respect to that property pursuant to
24 Sections 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the
25 requirements of paragraph (2).

26 (2) If the city, county, or city and county has adopted and
27 transmitted a resolution pursuant to paragraph (1), the county
28 auditor shall annually allocate the property tax revenue
29 attributable to the new construction described in the development
30 plan or agreement, as if that new construction were subject to
31 assessment by the county assessor, according to the following
32 formula:

33 (A) An amount of property tax revenue to school entities, as
34 defined in subdivision (f) of Section 95, equivalent to the same
35 percentage the school entities received in the prior fiscal year of
36 the property tax revenues paid by the utility in the county in
37 which the property described in paragraph (1) is located.

38 (B) An amount of property tax revenue to the county in which
39 the property is located equivalent to the same percentage the
40 county received in the prior fiscal year of the property tax

1 revenues paid by the utility in the county in which the property
2 described in paragraph (1) is located. The county shall distribute
3 those property tax revenues to the county general fund, the
4 county library district, the county flood control district, the
5 county sanitation districts, and the county service areas.

6 (C) The property tax revenue remaining after the allocations
7 described in subparagraphs (A) and (B) are made shall be
8 distributed to the city in which the property described in
9 paragraph (1) is located.

10 (3) In order to provide the allocations required by paragraph
11 (2), the county auditor shall make any necessary pro rata
12 reductions in allocations of property taxes attributable to the
13 property specified in paragraph (1) to jurisdictions other than
14 those receiving an allocation under paragraph (2).

15 (l) The amendments made to this section by the act that added
16 this subdivision apply for the 2007–08 fiscal year and for each
17 fiscal year thereafter.

18 *SEC. 1.5. Section 100 of the Revenue and Taxation Code is*
19 *amended to read:*

20 100. Notwithstanding any other provision of law,
21 commencing with the 1988–89 fiscal year, property tax assessed
22 value attributable to unitary and operating nonunitary property,
23 as defined in Sections 723 and 723.1, that is assessed by the State
24 Board of Equalization shall be allocated by county as provided in
25 Section 756, and the assessed value and revenues attributable to
26 that allocation shall be allocated within each county as follows:

27 (a) Each county shall establish one countywide tax rate area.
28 The assessed value of all unitary and operating nonunitary
29 property shall be assigned to this tax rate area. No other property
30 shall be assigned to this tax rate area.

31 (b) Property assigned to the tax rate area created by
32 subdivision (a) shall be taxed at a rate equal to the sum of the
33 following two rates:

34 (1) A rate determined by dividing the county's total ad
35 valorem tax levies for the secured roll, including levies made
36 pursuant to Section 96.8, for the prior year, exclusive of levies
37 for debt service, by the county's total ad valorem secured roll
38 assessed value for the prior year.

39 (2) A rate determined as follows:

1 (A) By dividing the county's total ad valorem tax levies for
2 unitary and operating nonunitary property for the prior year debt
3 service only by the county's total unitary and operating
4 nonunitary assessed value for the prior year.

5 (B) Beginning with the 1989–90 fiscal year, adjusting the rate
6 determined pursuant to subparagraph (A) by the percentage
7 change between the two preceding fiscal years in the county's ad
8 valorem debt service levy for the secured roll, not including
9 unitary and operating nonunitary debt service.

10 (c) The property tax revenue derived from the assessed value
11 assigned to the countywide tax rate area pursuant to subdivision
12 (a) *and pursuant to paragraph (2) of subdivision (a) of Section*
13 *100.1* by the use of the tax rate determined in paragraph (1) of
14 subdivision (b) shall be allocated as follows:

15 (1) For the 1988–89 fiscal year and each fiscal year thereafter,
16 each taxing jurisdiction shall be allocated an amount of property
17 tax revenue equal to 102 percent of the amount of the aggregate
18 property tax revenue it received from all unitary and operating
19 nonunitary property in the prior fiscal year, exclusive of revenue
20 attributable to *qualified property under Section 100.95* and levies
21 for debt service.

22 (2) If the amount of property tax revenue available for
23 allocation in the current fiscal year is insufficient to make the
24 allocations required by paragraph (1), the amount of revenue to
25 be allocated to each taxing jurisdiction shall be prorated based on
26 a factor determined by dividing the total amount of property tax
27 revenue available to all taxing jurisdictions from unitary and
28 operating nonunitary property in the current year, exclusive of
29 revenue attributable to levies for debt service, by the total amount
30 of property tax revenue received by all taxing jurisdictions from
31 unitary and operating nonunitary property in the prior fiscal year,
32 exclusive of revenue attributable to levies for debt service.

33 (3) If the amount of property tax revenue available for
34 allocation to all taxing jurisdictions in the current fiscal year
35 from unitary and operating nonunitary property, exclusive of
36 revenue attributable to *qualified property under Section 100.95*
37 *and* levies for debt service, exceeds 102 percent of the property
38 tax revenue received by all taxing jurisdictions from all unitary
39 and operating nonunitary property in the prior fiscal year,
40 exclusive of revenue attributable to *qualified property under*

1 *Section 100.95 and levies for debt service, the amount of revenue*
2 *in excess of 102 percent shall be allocated to all taxing*
3 *jurisdictions in the county by a ratio determined by dividing each*
4 *taxing jurisdiction's share of the county's total ad valorem tax*
5 *levies for the secured roll for the prior year, exclusive of levies*
6 *for qualified property under Section 100.95 and levies for debt*
7 *service, by the county's total ad valorem tax levies for the*
8 *secured roll for the prior year, exclusive of levies for qualified*
9 *property under Section 100.95 and levies for debt service.*

10 (d) The property tax revenue derived from the assessed value
11 assigned to the countywide tax rate area pursuant to subdivision
12 (a) and pursuant to paragraph (2) of subdivision (a) of Section
13 100.1 by the use of the tax rate determined in paragraph (2) of
14 subdivision (b) shall be allocated as follows:

15 (1) An amount shall be computed for each taxing jurisdiction
16 and shall be determined by multiplying the amounts required in
17 the current year pursuant to subdivisions (a) and (c) of Section 93
18 by that percentage that shall be determined by dividing the
19 amount of property tax revenue the jurisdiction received in the
20 prior year from unitary property and operating nonunitary
21 property by the total amount of property tax revenue the
22 jurisdiction received in the prior year from all property.

23 (2) The amount of property tax revenue available for
24 allocation pursuant to this subdivision shall be allocated among
25 taxing jurisdictions in the proportion that the amount computed
26 for each taxing jurisdiction pursuant to paragraph (1) bears to the
27 total amount computed pursuant to paragraph (1) for all taxing
28 jurisdictions.

29 (3) If a taxing jurisdiction is levying a tax rate for debt service
30 for the first time in the current fiscal year, for purposes of
31 determining the percentage specified in paragraph (1), that
32 percentage shall be the percentage determined by dividing the
33 amount of property tax revenue received by that taxing
34 jurisdiction in the prior year pursuant to subdivision (c) from
35 unitary and operating nonunitary property by the total amount of
36 property tax revenue received by that taxing jurisdiction in the
37 prior year from all property within the taxing jurisdiction.

38 (e) For purposes of this section:

39 (1) "The county's total ad valorem tax levies for the secured
40 roll" means all ad valorem tax levies for the county's secured

1 roll, including the general tax levy, levies for debt service
2 (including land only and land and improvement rates), and levies
3 for redevelopment agencies.

4 (2) “The county’s total ad valorem secured roll” means the
5 county’s local roll, after all exemptions except the homeowner’s
6 exemption, and the county’s utility roll.

7 (3) “Taxing jurisdiction” includes a redevelopment agency.

8 (4) In a county of the second class, for the 1992–93 fiscal year
9 and each fiscal year thereafter, “taxing jurisdiction” includes that
10 fund that has been designated by the auditor as the “Unallocated
11 Residual Public Utility Tax Fund.” All revenues allocated to that
12 fund pursuant to this section shall be deposited in that fund and
13 shall be distributed as follows:

14 (A) For the 1992–93 fiscal year to the 1996–97 fiscal year,
15 inclusive, at the discretion of the county board of supervisors.

16 (B) For the 1997–98 fiscal year, 100 percent to the Orange
17 County Fire Authority.

18 (C) For the 1998–99 fiscal year and each fiscal year thereafter,
19 in accordance with the following schedule:

20 (i) Fifty-seven and forty-seven hundredths percent to the
21 Orange County Fire Authority.

22 (ii) Forty-one and forty-seven hundredths percent to the
23 Orange County Library District.

24 (iii) Forty-eight hundredths percent to the Buena Park Library
25 District.

26 (iv) Fifty-eight hundredths percent to the Placentia Library
27 District.

28 (f) The assessed value of the unitary and operating nonunitary
29 property shall be kept separate for each state assessee throughout
30 the allocation process.

31 (g) Each state assessee shall be issued only one tax bill for all
32 unitary and operating nonunitary property within the county.

33 (h) This section ~~does not apply~~ *applies to the* unitary property
34 of regulated railway companies *only to the extent described in*
35 *Section 100.1.*

36 (i) This section does not apply to property that on July 1, 1987,
37 was undeveloped and owned by a utility and located within a
38 city, county, or city and county that adopts a resolution stating
39 that the property is subject to a development plan or agreement
40 and that this section shall not apply to that property, and the city,

1 county, or city and county transmits a copy of that resolution,
2 including a legal description of the property, to the State Board
3 of Equalization and the county's auditor-controller prior to
4 January 1, 1988.

5 (j) (1) For property that on July 1, 1990, was undeveloped and
6 owned by a utility and that is located within a city, county, or city
7 and county that adopts a resolution stating that the property is
8 subject to a development plan or agreement and that this
9 subdivision applies to that property, and the city, county, or city
10 and county transmits a copy of that resolution, including a legal
11 description of the property, to the county auditor prior to August
12 1, 1991, the allocation of property tax revenues derived with
13 respect to that property pursuant to Sections 96.1, 96.2, 97.31,
14 98, 98.01, and 98.04, shall be subject to the allocation required
15 by paragraph (2).

16 (2) The county auditor shall annually allocate to a city, county,
17 or city and county, that has adopted and transmitted a resolution
18 pursuant to paragraph (1), the amount of property tax revenues
19 derived with respect to the property described in paragraph (1)
20 that would be allocated to that city, county, or city and county if
21 that property were subject to assessment by the county assessor.
22 In order to provide the allocations required by this paragraph, the
23 county auditor shall make any necessary pro rata reductions in
24 allocations to local agencies other than that city, county, or city
25 and county adopting and transmitting a resolution pursuant to
26 paragraph (1), of property tax revenues derived with respect to
27 the property described in paragraph (1).

28 (k) (1) For property subject to this section that is owned by a
29 utility that serves no more than two counties and is located within
30 a city, county, or city and county that adopts a resolution stating
31 that the property is subject to a development plan or agreement
32 for new construction and the city, county, or city and county
33 transmits a copy of that resolution, including a legal description
34 of the property, to the State Board of Equalization and the county
35 auditor prior to January 1, 2006, the allocation of property tax
36 revenues derived with respect to that property pursuant to
37 Sections 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the
38 requirements of paragraph (2).

39 (2) If the city, county, or city and county has adopted and
40 transmitted a resolution pursuant to paragraph (1), the county

auditor shall annually allocate the property tax revenue attributable to the new construction described in the development plan or agreement, as if that new construction were subject to assessment by the county assessor, according to the following formula:

(A) An amount of property tax revenue to school entities, as defined in subdivision (f) of Section 95, equivalent to the same percentage the school entities received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located.

(B) An amount of property tax revenue to the county in which the property is located equivalent to the same percentage the county received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located. The county shall distribute those property tax revenues to the county general fund, the county library district, the county flood control district, the county sanitation districts, and the county service areas.

(C) The property tax revenue remaining after the allocations described in subparagraphs (A) and (B) are made shall be distributed to the city in which the property described in paragraph (1) is located.

(3) In order to provide the allocations required by paragraph (2), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the property specified in paragraph (1) to jurisdictions other than those receiving an allocation under paragraph (2).

(l) The amendments made to this section by the act that added this subdivision apply for the 2007–08 fiscal year and for each fiscal year thereafter.

SEC. 2. Section 100.1 of the Revenue and Taxation Code is amended to read:

100.1. Notwithstanding any other provision of law, for the 1988–89 to 2006–07 fiscal years, inclusive, property tax assessed value attributable to unitary property, as defined in Section 723, of a regulated railway company that is assessed by the State Board of Equalization, shall be allocated to tax rate areas as follows:

(a) Each tax rate area shall receive an amount of assessed value equal to the amount of assessed value received in the prior

1 fiscal year adjusted for changes in track mileage unless the total
2 amount of assessed value to be allocated is insufficient, in which
3 case, each tax rate area shall receive a pro rata share of the
4 amount it received in the prior fiscal year adjusted for changes in
5 track mileage.

6 (b) If the total amount of assessed value to be allocated is
7 greater than the amount of assessed value allocated in the prior
8 fiscal year adjusted for changes in track mileage, each tax rate
9 area shall receive a pro rata share of the amount in excess of the
10 prior year's assessed value of the regulated railway company
11 adjusted for track mileage.

12 (c) If a tax rate area is divided, the prior fiscal year amount of
13 assessed value of the unitary property of the regulated railway
14 company shall be divided among the resulting tax rate areas in
15 the same proportion that the track mileage on unitary property is
16 divided among the resulting tax rate areas.

17 (d) The assessed value allocated to each tax rate area under
18 subdivision (a), (b), or (c) shall be further allocated between land,
19 improvements, and personal property in the same proportion as
20 existed for each regulated railway company statewide in the
21 1987–88 assessment year.

22 (e) For purposes of this section:

23 (1) "The amount of assessed value received in the prior fiscal
24 year adjusted for changes in track mileage" means the prior
25 year's amount of assessed value in each tax rate area after it has
26 been adjusted upward or downward in direct proportion to the
27 change in the amount of track mileage on unitary property in the
28 current year over the prior year.

29 (2) "Track mileage" means the number of miles of track
30 adjusted to reflect the relative importance of mainline, branch,
31 and other track.

32 (f) This section is repealed on July 1, 2007.

33 SEC. 3. Section 100.11 is added to the Revenue and Taxation
34 Code, to read:

35 100.11. (a) Notwithstanding any other law, for the 2007–08
36 fiscal year and for each fiscal year thereafter, property tax
37 assessed value attributable to unitary property, as defined in
38 Section 723, of a regulated railway company that is assessed by
39 the State Board of Equalization, shall be allocated to tax rate
40 areas as follows:

1 (1) With respect to the value of a qualified facility, both of the
2 following apply:

3 (A) An amount of value equal to 20 percent of the original
4 cost of the qualified facility shall be allocated exclusively to
5 those tax rate areas in the county in which the facility is located.
6 The tax rates applied to this value shall be the rates described in
7 Section 93.

8 (B) The revenues derived from the application of these rates to
9 the value described in subparagraph (A) shall be allocated to
10 jurisdictions in those tax rate areas in the county in which the
11 qualified property is located in percentage shares that are
12 equivalent to the percentage shares that these jurisdictions
13 received in the prior fiscal year from the property tax revenues
14 paid by the regulated railway company in the county in which the
15 qualified property is located. The county auditor shall ensure that
16 school entities, as defined in subdivision (f) of Section 95, in
17 these tax rate areas in a county are allocated an amount
18 equivalent to the same percentage the school entities received in
19 the prior fiscal year from the property tax revenues paid by the
20 regulated railway company in the county.

21 (2) With respect to the value of unitary property of a regulated
22 railway company that is not described in paragraph (1), all of the
23 following apply:

24 (A) A countywide tax rate area shall be established in each
25 county in which the property of a regulated railway company is
26 located. Value shall be allocated to that countywide tax rate area
27 according to the following:

28 (i) Each countywide tax rate area shall receive an amount of
29 assessed value equal to the amount of assessed value received in
30 the county for the prior fiscal year, adjusted for changes in track
31 mileage, unless the total amount of assessed value to be allocated
32 is insufficient, in which case, each countywide tax rate area shall
33 receive a pro rata share of the amount it received in the prior
34 fiscal year, adjusted for changes in track mileage.

35 (ii) If the total amount of assessed value to be allocated is
36 greater than the amount of assessed value allocated for the prior
37 fiscal year, adjusted for changes in track mileage, each
38 countywide tax rate area shall receive a pro rata share of the
39 amount in excess of the prior year's assessed value of the
40 regulated railway company adjusted for track mileage.

(iii) The assessed value allocated to each countywide tax rate area under clauses (i) and (ii) shall be further allocated between land, improvements, and personal property in the same proportion that existed for each regulated railway company statewide for the 2006–07 assessment year.

(B) The tax rate applied to the value allocated to a countywide tax rate area under subparagraph (A) shall be the sum of the rates described in paragraphs (1) and (2) of subdivision (b) of Section 100.

(C) The revenues derived from the application of these rates to this value shall be allocated in the manner described in subdivisions (c) and (d) of Section 100, which manner shall be modified as follows:

(i) School entities, as defined in subdivision (f) of Section 95, in a county shall be allocated an amount equivalent to the same percentage the school entities received in the prior fiscal year from the property tax revenues paid by the regulated railway company in the county.

(ii) Notwithstanding any other law, for the 2007–08 fiscal year, a redevelopment agency shall not receive any property tax revenues described in this paragraph.

(b) For purposes of this section, the following terms have the following meanings:

(1) “Qualified facility” means a building, auto or container loading and unloading facility, or transload facility that meets both of the following criteria:

(A) The original cost of the completed facility, including land, but not including, track and track materials, is equal to or exceeds one hundred million dollars (\$100,000,000).

(B) The facility is completely constructed and placed in service after January 1, 2007.

(2) “The amount of assessed value received in the prior fiscal year adjusted for changes in track mileage” means the prior year’s amount of assessed value in each county after it has been adjusted upward or downward in direct proportion to the change in the amount of track mileage on unitary property in the current year over the prior year.

(3) “Track mileage” means the number of total miles of track in a county.

1 SEC. 4. Section 755 of the Revenue and Taxation Code is
2 amended to read:

3 755. (a) On or before July 15, the board shall transmit to
4 each county auditor an estimate of the total unitary value and
5 operating nonunitary value of state-assessed property in the
6 county and of nonunitary state-assessed property in each revenue
7 district in the county. An estimate need not be made for a
8 revenue district that did not levy a tax or assessment during the
9 preceding year unless the board receives on or before January 1
10 preceding the fiscal year for which the levy is to be made a notice
11 in writing of the proposed levy. The estimate shall be regarded as
12 establishing the total assessed value of state-assessed property in
13 the county and each revenue district in the county for the purpose
14 of determining tax rates, subject only to those changes as may be
15 transmitted on or prior to July 31. All information furnished
16 pursuant to this section is at all times during office hours open to
17 inspection by any interested person or entity.

18 (b) Notwithstanding subdivision (a), in making the estimate
19 referred to in subdivision (a), the value of property described in
20 paragraph (1) of subdivision (a) of Section 100.1 and the
21 nonunitary value of the property of regulated railway companies,
22 property subject to subdivisions (i), (j), and (k) of Section 100,
23 and property subject to Section 100.9 shall be allocated by
24 revenue district.

25 (c) The amendments made to this section by the act that added
26 this subdivision apply for the 2007–08 fiscal year and for each
27 fiscal year thereafter.

28 SEC. 5. Section 756 of the Revenue and Taxation Code is
29 amended to read:

30 756. (a) On or before July 31, the board shall transmit to
31 each county auditor a roll showing the unitary and operating
32 nonunitary assessments made by the board in the county and the
33 nonoperating nonunitary assessments made by the board in each
34 city and revenue district in the county; provided, however, that
35 the roll need not show the assessments made by the board in a
36 revenue district which did not levy a tax or assessment during the
37 preceding year. The roll is at all times, during office hours, open
38 to the inspection of any person representing any taxing agency or
39 revenue district, or any district described in Section 2131. If the
40 roll does not show the assessments in a revenue district as herein

1 provided and a notice of a proposed levy is furnished to the board
2 in writing, on or before January 1 preceding the fiscal year for
3 which the levy is to be made, the board shall furnish an estimate
4 of the total assessed value of nonoperating nonunitary
5 state-assessed property in the district and shall transmit thereafter
6 to the county auditor a statement of roll change showing the
7 nonoperating nonunitary assessments made by the board in the
8 district.

9 (b) Notwithstanding subdivision (a), in making the roll
10 referred to in subdivision (a), the value of property described in
11 paragraph (1) of subdivision (a) of Section 100.1 and the
12 nonunitary value of the property of regulated railway companies,
13 property subject to subdivisions (i), (j), and (k) of Section 100,
14 and property subject to Section 100.9 shall be enrolled by
15 revenue district.

16 (c) The amendments made to this section by the act that added
17 this subdivision apply for the 2007–08 fiscal year and for each
18 fiscal year thereafter.

19 SEC. 6. If the Commission on State Mandates determines that
20 this act contains costs mandated by the state, reimbursement to
21 local agencies and school districts for those costs shall be made
22 pursuant to Part 7 (commencing with Section 17500) of Division
23 4 of Title 2 of the Government Code.

24 SEC. 7. *Section 1.5 of this bill incorporates amendments to*
25 *Section 100 of the Revenue and Taxation Code proposed by both*
26 *this bill and SB 1317. It shall only become operative if (1) both*
27 *bills are enacted and become effective on or before January 1,*
28 *2007, (2) each bill amends Section 100 of the Revenue and*
29 *Taxation Code, and (3) this bill is enacted after SB 1317, in*
30 *which case Section 1 of this bill shall not become operative.*